

Estimated Tax Vouchers 1 through 4

Use the Estimated Tax Vouchers 1 through 4 to pay your estimated tax for 1995. Use the California 1995 Estimated Tax Worksheet to figure your estimated tax payments, if any, for 1995.

Important: Start with Estimated Tax Voucher 1 below.

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TAXABLE YEAR

CALIFORNIA FORM

1995 Estimated Tax for Individuals

540-ES

For Privacy Act Notice, see form FTB 1131. File only if you are making a payment of estimated tax.

Make your check or money order payable to "**Franchise Tax Board.**" Write your social security number and "Form 540-ES 1995" on it. **Do not combine this payment with payment of your tax due for 1994.** Mail this voucher and your check or money order to:

Franchise Tax Board, 540-ES Unit, P.O. Box 942867, Sacramento, CA 94267-0031.

Payment Voucher 1

(Calendar year — Due April 17, 1995)

Your first name and middle initial	Your last name	Your social security number	
(If joint payment, complete for spouse) Spouse's first name and middle initial	Spouse's last name if different from yours	If joint payment, spouse's social security number	
Address (number and street)			1 Amount of payment \$ 00
City, state and ZIP code			
			2 Fiscal year filers, enter year ending _____ (month and year)

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Payment Voucher 2

(Calendar year — Due June 15, 1995)

Your first name and middle initial	Your last name	Your social security number	1 Amount of payment
(If joint payment, complete for spouse) Spouse's first name and middle initial	Spouse's last name if different from yours	If joint payment, spouse's social security number	
Address (number and street)			\$ _____ 00
City, state and ZIP code			2 Fiscal year filers, enter year ending _____ (month and year)

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Payment Voucher 3

(Calendar year — Due September 15, 1995)

Your first name and middle initial	Your last name	Your social security number	1 Amount of payment
(If joint payment, complete for spouse) Spouse's first name and middle initial	Spouse's last name if different from yours	If joint payment, spouse's social security number	
Address (number and street)			\$ _____ 00
City, state and ZIP code			2 Fiscal year filers, enter year ending _____ (month and year)

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540-ES

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Payment Voucher 4

(Calendar year — Due January 16, 1996)

Your first name and middle initial	Your last name	Your social security number	1 Amount of payment
(If joint payment, complete for spouse) Spouse's first name and middle initial	Spouse's last name if different from yours	If joint payment, spouse's social security number	
Address (number and street)			\$ _____ 00
City, state and ZIP code			2 Fiscal year filers, enter year ending _____ (month and year)

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1995 Instructions for Form 540-ES

Estimated Tax For Individuals

A Purpose of Form

Use this form to make installment payments of estimated tax. Estimated tax is the tax you expect to owe for 1995 after subtracting the tax you expect to have withheld and any credits you plan to take. Use the instructions and the worksheet to determine if you owe estimated tax and to determine the required installment amount.

B Who Must Make Estimated Tax Payments

Important note: California and federal estimated tax payment requirements are not the same.

Generally, you must make 1995 estimated tax payments if:

- less than 80% of your 1994 tax was paid by withholding; or
- less than 80% of your 1995 California adjusted gross income (AGI) will be wages subject to withholding; or
- less than 80% of your 1995 tax will be paid by withholding.

You are not required to make 1995 estimated tax payments if:

- your tax for 1994 (after subtracting withholding and credits) was less than \$100; or
- your tax for 1995 (after subtracting withholding and credits) will be less than \$100.

Generally, you and your spouse may file either joint or separate payment vouchers. However, you must make separate estimated tax payments if:

- you are separated under a decree of divorce or separate maintenance; or
- you and your spouse have different taxable years.

If you make joint estimated tax payments but you and your spouse do not file a joint return for the taxable year, you and your spouse may agree to claim the entire estimated tax on either separate return or divide the payments in any amount.

C Limit on Use of Prior Year's Tax

Caution: During the latter part of 1993 the U.S. Congress made several changes to federal income tax law regarding estimated tax payments and the limit on the use of prior year's tax. California has not included those changes in the state's tax law.

Some individuals (other than farmers and fishermen) with income over a certain amount must make a special computation to figure their estimated tax payments. Although these individuals may use 100% of their 1994 tax to figure the amount of their first payment, they may not be able to use that amount to figure their remaining payments. To see if this special computation applies to you, complete line 1 through line 16b of the 1995 Estimated Tax Worksheet. Then, answer the questions below. If you answer "No" to any question, stop and read the instructions below question 3.

1. Did you make any estimated tax payments for 1994, 1993 or 1992 OR were you charged an estimated tax penalty for any of those years? (If either applies, answer "Yes.") ☐ Yes ☐ No
2. Is your 1995 AGI on line 1 of the worksheet more than \$75,000 (\$37,500 if married filing separately)? ☐ Yes ☐ No
3. Do you expect your 1995 modified AGI (defined below) to exceed your 1994 actual AGI by more than \$40,000 (\$20,000 if married filing separately)? ☐ Yes ☐ No

If you answered "No" to any of the questions above, you don't have to make the special computation. Instead, complete the rest of the Estimated Tax Worksheet.

If you answered "Yes" to all three of the questions above, you must make the special computation. Do not fill in the rest of the Estimated Tax Worksheet. Instead get form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries, and follow the instructions for limiting the use of prior year's tax.

Modified AGI. For this purpose, modified AGI means AGI figured without including any gain from the sale or exchange of your main home or gain from a casualty, theft, condemnation, or other involuntary conversion required to be shown on your 1995 return. Partners and share-

holders in an S corporation must include their income, gains and losses (other than from the disposition of their interests in a partnership or S corporation), and deductions for 1994 from the partnership or S corporation instead of the amounts for 1995. But this rule does not apply to general partners, partners who owned at least a 10% capital or profit interest in the partnership, or shareholders who owned at least 10% of the stock (vote or value) of the S corporation.

D When To Make Your Estimated Tax Payments

For estimated tax purposes, the year is divided into four payment periods. Each period has a specific payment due date. If you do not pay enough tax by the due date of each of the payment periods, you may be charged a penalty even if you are due a refund when you file your income tax return. The chart below lists the payment periods and due dates.

For the period

January 1 through March 31, 1995
April 1 through May 31, 1995
June 1 through August 31, 1995
Sept. 1 through Dec. 31, 1995

The payment due date is

April 17, 1995
June 15, 1995
September 15, 1995
January 16, 1996

Filing An Early Return In Place of the 4th Installment. If you file your 1995 tax return by February 1, 1996, and pay the entire balance due, then you do not have to make your last estimated tax payment.

Annualization Option. If you do not receive your taxable income evenly during the year, it may be to your advantage to annualize your income. This method allows for the matching of your estimated tax payments to the actual period when you earned the income. You may use the annualization schedule included with form FTB 5805.

Farmers and Fishermen. If at least two-thirds of your gross income for 1994 or 1995 is from farming or fishing, you may:

- pay all of your estimated tax by January 16, 1996; or
- file your tax return for 1995 on or before March 1, 1996 and pay the total tax due. In this case, you need not make estimated tax payments for 1995. When you file your tax return, attach form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen.

Fiscal Year. If you file your return on a fiscal year basis, your due dates will be the 15th day of the 4th, 6th and 9th months of your fiscal year and the first month of the following fiscal year. If a due date is a Saturday, Sunday or legal holiday, substitute the next regular workday for the due date.

E How To Use Form 540-ES Payment Voucher

Use the Estimated Tax Worksheet and your 1994 California income tax return as a guide for figuring your estimated tax. In box 1 of the Form 540-ES payment voucher, enter the amount shown on line 19 of the worksheet less any overpaid tax on your 1994 tax return that you applied toward 1995 as an estimated tax payment.

Type or print your name, address and social security number in the space provided on Form 540-ES. Make your check or money order payable to "Franchise Tax Board." Write your social security number and "Form 540-ES 1995" on the check or money order. Mail your estimated tax payment voucher together with your check or money order to:

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P.O. Box 942867
Sacramento, CA 94267-0031

F Failure To Make Estimated Tax Payments

If you are required to make estimated tax payments and do not, or if you underpay any installment, a penalty will be assessed (with certain exceptions) for that portion of estimated tax that was underpaid from the due date of the installment to the date of payment or the due date of your tax return, whichever is earlier. For more information, refer to form FTB 5805.

